



**CALIFORNIA
HIGH-SPEED RAIL
AUTHORITY**

BRIEFING: JUNE 2, 2010 EXECUTIVE / ADMINISTRATIVE COMMITTEE MEETING
AGENDA ITEM #4

TO: Chairman Pringle and Authority Board Members

FROM: Steve Schnaidt

DATE: 5/25/10

RE: Legislation Update

Background

The Authority's staff regularly presents an information/action item summarizing high-speed train-related legislation introduced and pending in the current legislative session. In 2009, the first year of the 2009-10 Legislative Session, ten (10) bills were identified at one time or another as directly affecting or having the potential to affect in different ways the high-speed train project or related intercity passenger rail operations.

The initial 2009-10 legislative report noted that the Authority likely would be asked for its views, if any, on the various measures as the bills were scheduled for legislative policy and fiscal hearings and began their progress through the legislative process. The April 2009 and subsequent monthly reports highlighted and updated the provisions of the bills relevant to the high-speed train project and recommended to the Board for its consideration, formal positions on several bills. The report also recommended that the Board continue to monitor the status and progress of the identified bills whether or not a formal position was adopted. After discussion at its May meeting, the Board approved the staff report's recommended positions and action on several bills and directed staff to keep board members informed of important changes and developments in the language or status of the bills.

The Legislature is now far into the calendar for consideration and action on legislation this year. The essential deadlines and dates remaining in the legislative calendar for 2010 are the following:

- May 28: Last day for fiscal committees to report house-of-origin legislation to the Floor.
- June 1-4: Floor sessions only.
- June 4: Last day to pass bills in house of origin (Assembly bills must clear the Assembly; Senate bills must clear the Senate).
- June 7: Committee meetings may resume (to hear other-house bills and those with deadline waivers)
- June 15: Constitutional deadline for passage of the Budget Bill.
- July 2: Last day for policy committees to report bills (generally those from the other house). Summer Recess begins (through August 2), if Budget has been enacted.
- August 13: Last day for fiscal committees to meet and report bills to the Floor.
- August 16-31: Floor session only. Committees may not meet unless granted a waiver to do so.
- August 31: Last day for any bill to be passed. Final Recess for 2009-10 session begins at day's end.
- September 30: Last day for Governor to sign or veto bills.

Discussion

The Assembly and Senate are very active at this time with final house-of-origin work on pending legislation. As the legislative schedule indicates, bills must receive final consideration and approval by the respective houses by the June 4, 2010 Assembly/Senate deadline; legislation that does not clear its house of origin by that date cannot be considered by the other house or be enacted this year or the 2009-10 Session (unless rule waivers of deadlines or some other extraordinary legislative action is taken).

The high volume of house-of-origin action on pending legislation during the week preceding the Authority's June 2-3 committee and Board meetings, respectively, would make the monthly legislative report immediately outdated if it were finalized the week prior to the Board meeting and committee meetings, as is typically done. Consequently, the current draft report contains only a list and summary description of the legislation to be reported upon at the June 2, 2010 Executive Committee meeting. The report presented at the committee meeting June 2 will provide a more current and accurate discussion of the status and content of the bills affecting the Authority and the HST project.

Bills to be discussed in the final June 2010 legislative report:

1. AB 153 (Ma) – Operations and duties of the High Speed Rail Authority - Successor legislation to the Authority-sponsored AB 981 (Ma, 2007, later used for other issues).
2. AB 289 (Galgiani) As amended 4/21/10 – Requires that the Authority use the proceeds of the Proposition 1A high speed rail bonds to match federal high-speed rail stimulus funds to the extent possible. Authorizes the Governor to appoint five exempt employees

to the Authority who would serve as deputy directors of the Authority. Appropriates \$2.25 billion to the Authority from federal ARRA funds, identifies the corridors for the funds' use and requires that the plan for expenditure of ARRA funds be reported to the Legislature and Department of Finance. Requires the biennial business plan to include an estimate of the number of jobs in each corridor and states the Legislature's intent to establish an inspector general to oversee and report on fiscal functions.

3. AB 1375 (Galgiani) As Amended 5/24/10 – Department of Railroads. Creates a Department of Railroads within the Business, Transportation and Housing (BTH) Agency to develop and administer the high-speed train project as the successor agency to the Authority for most of the purposes and duties of the Proposition 1A bond act and for other activities related to the project. Repeals and reenacts the California High Speed Train act for purposes of restructuring the respective roles of the Authority and the new Department of Railroads.
4. AB 1747 (Galgiani) As Amended 4/14/10 -- Job creation as a contract award factor. Authorizes the Authority to consider the creation of jobs in California when awarding major contracts, including those for purchasing high speed trains and supplies.
5. AB 1830 (Galgiani) As Amended 4/8/10 – Rolling stock purchases. Requires the Authority to make every effort to purchase rolling stock and related equipment that are manufactured in California.
6. AB 2121 (Harkey) As Amended 4/28/10 – Requires the Authority to annually adopt and submit to the Legislature and Governor a 6-year high-speed train program and annually report on the progress made on the high-speed train program and a detailed financing plan to pay for the construction of the high-speed train network.
7. SB 409 (Ducheny) As Amended 1/26/10 – Rail connectivity plans and HSRA activities. Formerly, created a Department of Railroads in the Business, Transportation and Housing Agency, responsible for high-speed rail and several other current state rail programs. Current language places the Authority within the Business, Transportation and Housing Agency (BTH), requires Senate confirmation of the Governor's appointees to the board, requires annual CTC approval of an Authority funding plan, and requires BTH to prepare 5-year rail connectivity plans.
8. SB 455 (Lowenthal) As Amended 4/16/09 – Operations and duties of the High Speed Rail Authority. Makes numerous conforming changes to statutory provisions and adds specific references to the Authority in statutes governing property acquisition activities and eminent domain. Adds additional Phase 1 project selection criteria and requires Senate confirmation of Governor's Board appointees. Requires the Authority to prepare

an overall project schedule on a quarterly basis, approve a quarterly contract status report, and approve all contract amendments at board meetings.

9. SB 964 (Alquist-Steinberg) As Amended 4/22/10 – High speed rail workforce development. Requires the Authority to contract with the Employment Development Department to develop a labor market assessment of the workforce, skills and education needed to construct operate and maintain the HST system, and to develop options for workforce training programs to ensure the availability of the necessary workforce and skills.
10. SB 965 (DeSaulnier) As Amended 4/7/10 – Federal high-speed rail funds. Authorizes the High Speed Rail Authority to expend federal ARRA funds awarded to it for development of projects on the high-speed train system, upon legislative appropriation and in compliance with Proposition 1A. Requires a report to the Legislature of any cooperative agreement with the FRA and annual project progress reports to the Legislature. Exempts from the reporting requirements any California-awarded ARRA funds made available to the Transbay Joint Powers Authority.